



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-879]

Polyvinyl Alcohol from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) is initiating a changed circumstances review and preliminarily determining that Sinopec Chongqing SVW Chemical Co., Ltd. (SVW) is the successor-in-interest to Sinopec Sichuan Vinyon Works (Sichuan SVW) for the purposes of the antidumping duty order on polyvinyl alcohol (PVA) from the People's Republic of China (China).

DATES: Applicable [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Charles Doss, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-4474.

SUPPLEMENTARY INFORMATION:

Background

On October 1, 2003, Commerce published in the *Federal Register* an antidumping duty order on PVA from China.¹ On December 7, 2018, SVW, a foreign producer and exporter of polyvinyl alcohol from China, and Wego Chemical and Mineral Corp. (Wego), an importer of polyvinyl alcohol from China (collectively, SVW and Wego) requested that, pursuant to section

¹ See *Antidumping Duty Order: Polyvinyl Alcohol from the People's Republic of China*, 68 FR 56620 (October 1, 2003) (the *Order*).

751(b)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(b), Commerce conduct an expedited changed circumstances review of the *Order* to confirm that SVW is the successor-in-interest to Sichuan SVW and, accordingly, to assign SVW the cash deposit rate of Sichuan SVW.² In its submission, SVW and Wego explain that Sinopec Sichuan Vinylon Works (*i.e.*, Sichuan SVW) has changed its name to Sinopec Chongqing SVW Chemical Co., Ltd. (*i.e.*, SVW), and aver that no substantive changes other than this change of name have otherwise occurred.³ SVW and Wego further requested that Commerce combine the notice of initiation and preliminary results pursuant to 19 CFR 351.221(c)(3)(ii) and (iii).⁴ We did not receive comments from other interested parties concerning this request.

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.⁵ Accordingly, the revised deadline for issuance of this initiation and the preliminary results of changed circumstances review is now March 5, 2019.

Scope of the *Order*

The merchandise covered by the order is PVA. This product consists of all PVA hydrolyzed in excess of 80 percent, whether or not mixed or diluted with commercial levels of defoamer or boric acid, except as noted below.

The following products are specifically excluded from the scope of this order:

- 1) PVA in fiber form.

² See SVW and Wego's letter, "Polyvinyl Alcohol from China: Request for Changed Circumstances Review," dated December 12, 2018 (CCR Request).

³ *Id.* at 1-4.

⁴ *Id.* at 2.

⁵ See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

- 2) PVA with hydrolysis less than 83 mole percent and certified not for use in the production of textiles.
- 3) PVA with hydrolysis greater than 85 percent and viscosity greater than or equal to 90 cps.
- 4) PVA with a hydrolysis greater than 85 percent, viscosity greater than or equal to 80 cps but less than 90 cps, certified for use in an ink jet application.
- 5) PVA for use in the manufacture of an excipient or as an excipient in the manufacture of film coating systems which are components of a drug or dietary supplement, and accompanied by an end-use certification.
- 6) PVA covalently bonded with cationic monomer uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.
- 7) PVA covalently bonded with carboxylic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, certified for use in a paper application.
- 8) PVA covalently bonded with thiol uniformly present on all polymer chains, certified for use in emulsion polymerization of non-vinyl acetic material.
- 9) PVA covalently bonded with paraffin uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.
- 10) PVA covalently bonded with silan uniformly present on all polymer chains certified for use in paper coating applications.
- 11) PVA covalently bonded with sulfonic acid uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.
- 12) PVA covalently bonded with acetoacetylate uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

13) PVA covalently bonded with polyethylene oxide uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

14) PVA covalently bonded with quaternary amine uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.

15) PVA covalently bonded with diacetoneacrylamide uniformly present on all polymer chains in a concentration level greater than three mole percent, certified for use in a paper application.

The merchandise subject to this order is currently classifiable under subheading 3905.30.00 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

Initiation and Preliminary Results

Pursuant to section 751(b)(1) of the Act, Commerce will conduct a changed circumstances review upon receipt of information concerning, or a request from, an interested party for a review of an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. In the past, Commerce has used changed circumstances reviews to address the applicability of cash deposit rates after there have been changes in the name or structure of a respondent, such as a merger or spinoff ('successor-in-interest' or 'successorship' determinations).⁶ Based on the request from SVW and Wego, and in accordance with section 751(b)(1) of the Act and 19 CFR 351.216(d) and (e), we are initiating a changed circumstances review to determine whether SVW is the successor-in-interest to Sichuan SVW for purposes of antidumping duty liability.

⁶ See, e.g., *Diamond Sawblades and Parts Thereof from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 82 FR 51605, 51606 (November 7, 2017) (*Diamond Sawblades Preliminary*), unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 82 FR 60177 (December 19, 2017) (*Diamond Sawblades Final*).

Section 351.221(c)(3)(ii) of Commerce's regulations permits Commerce to combine the notice of initiation of a changed circumstances review and the notice of preliminary results if Commerce concludes that expedited action is warranted.⁷ In this instance, because the record contains information necessary to make a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and the notice of preliminary results.⁸

Accordingly, pursuant to section 751(b) of the Act, we have conducted a successor-in-interest analysis in response to SWV and Wego's request. In making a successor-in-interest determination, Commerce examines several factors, including, but not limited to, changes in the following: (1) management; (2) production facilities; (3) supplier relationships; and (4) customer base.⁹ While no single factor or combination of factors will necessarily provide a dispositive indication of a successor-in-interest relationship, generally, Commerce will consider the new company to be the successor to the previous company if the new company's resulting operation is not materially dissimilar to that of its predecessor.¹⁰ Thus, if the evidence demonstrates that, with respect to the production and sales of the subject merchandise, the new company operates as essentially the same business entity as the former company, Commerce will accord the new company the same antidumping treatment as its predecessor.¹¹

⁷ See 19 CFR 351.221(c)(3)(ii). See also *Certain Pasta from Italy: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 80 FR 33480, 33480-41 (June 12, 2015) (*Pasta from Italy Preliminary Results*) (unchanged in *Certain Pasta from Italy: Final Results of Changed Circumstances Review*, 80 FR 48807 (August 14, 2015) (*Pasta from Italy Final Results*)).

⁸ See, e.g., *Pasta from Italy Preliminary Results*, 80 FR at 33480-41 (unchanged in *Pasta from Italy Final Results*, 80 FR at 48807).

⁹ See, e.g., *Diamond Sawblades Final* and *Certain Frozen Warmwater Shrimp from India: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 83 FR 37784 (August 2, 2018) (unchanged in *Certain Frozen Warmwater Shrimp from India: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 83 FR 49909 (October 3, 2018)).

¹⁰ *Id.*

¹¹ *Id.* See also, e.g., *Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 64953 (October 24, 2012), unchanged in *Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 73619 (December 11, 2012).

In their request, SVW and Wego supplied evidence for Commerce to determine preliminarily that SVW is the successor-in-interest of Sichuan SVW. SVW and Wego provided documentation of approval of SVW's name change from regulators¹² and its business license before and after the change.¹³ In addition, the record includes lists of SVW's management before and after the name change,¹⁴ supporting SVW and Wego's assertion that the management is identical.¹⁵

Further, SVW and Wego provided an announcement of SVW's name change, articles of association, and business licenses that specify that its business premises are the same,¹⁶ and support the claim that SVW's production facilities, operations, and scope of business have not materially changed as a result of the name change.¹⁷ Moreover, SVW and Wego provide sufficient information to support their assertion that there have been no material changes to SVW's raw material suppliers and only minor changes to its customer base before and following its name change.¹⁸

Based on the aforementioned evidence on the record, we preliminarily determine that SVW is the successor-in-interest to Sichuan SVW, as the change in the business' name was not accompanied by significant changes to its management and operations, production facilities, supplier relationships, or customer base. Thus, we preliminarily determine that SVW operates as essentially the same business entity as Sichuan SVW, that SVW is the successor-in-interest to Sichuan SVW, and that SVW should receive the same antidumping duty cash deposit rate with respect to subject merchandise as its predecessor.

¹² See SVW CCR Request at Attachment 1.

¹³ *Id.* at Attachment 5.

¹⁴ *Id.* at Attachment 3.

¹⁵ *Id.* at 3.

¹⁶ *Id.* at Attachment 2.

¹⁷ *Id.* at Attachment 3.

¹⁸ *Id.*

Public Comment

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 30 days of publication of this notice. In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the case briefs, in accordance with 19 CFR 351.309(d). Parties who submit case or rebuttal briefs are encouraged to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁹ All comments are to be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), available to registered users at <https://access.trade.gov> and in the Central Records Unit, Room B8024, of the main Department of Commerce building, and must also be served on interested parties. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day it is due.²⁰

Consistent with 19 CFR 351.216(e), we will issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated, or

¹⁹ See 19 CFR 351.309(c)(2).

²⁰ See 19 CFR 351.303(b).

within 45 days if all parties agree to our preliminary finding. This notice is published in accordance with sections 751(b)(1) and 777(i) of the Act and 19 CFR 351.216(b), 351.221(b) and 351.221(c)(3).

Dated: February 26, 2019.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.
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